

2013 Jefferson County Property Tax Report with Comparison to 2012

Legislative Services Agency

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This report describes property tax changes in Jefferson County between 2012 and 2013.

Property tax changes in 2013 were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. However, three statewide trends affected a large number of counties.

- First, pay-2013 was a statewide reassessment year. In past reassessments there were double-digit percentage increases in assessed values, but this time assessments were almost unchanged statewide. The difference was trending, which has been adjusting assessments annually since 2007. Few counties experienced large assessment increases in 2013. Many experienced assessment decreases.
- Second, farmland assessments continued to rise, with the base rate of an acre increasing 8.7% from \$1,500 to \$1,630. High commodity prices and low interest rates were the reason. Rising farmland assessments were especially important in rural counties, where farmland is a larger part of total assessed value.
- Third, many local income tax credit rates increased substantially. This was due to a corrected distribution of local income tax revenues to local governments. Extra income tax revenue was applied to tax credits in 2013. This may mean that credit rates will fall (and tax bills will rise) in 2014.

Still, local factors were most influential in individual counties in 2013. Here is what affected taxes in Jefferson County.

| | Average Change in Tax Bill, All Property | Total Levy, All Units | Certified Net Assessed Value | Tax Cap Credits % of Levy |
|--------|---|-----------------------|---------------------------------|------------------------------|
| 2013 | 7.5% | \$27,270,017 | \$1,226,322,372 | 4.6% |
| Change | | 9.4% | 0.9% | |
| 2012 | -4.6% | \$24,926,208 | \$1,215,869,583 | 3.2% |

Comparable Homestead Property Tax Changes in Jefferson County

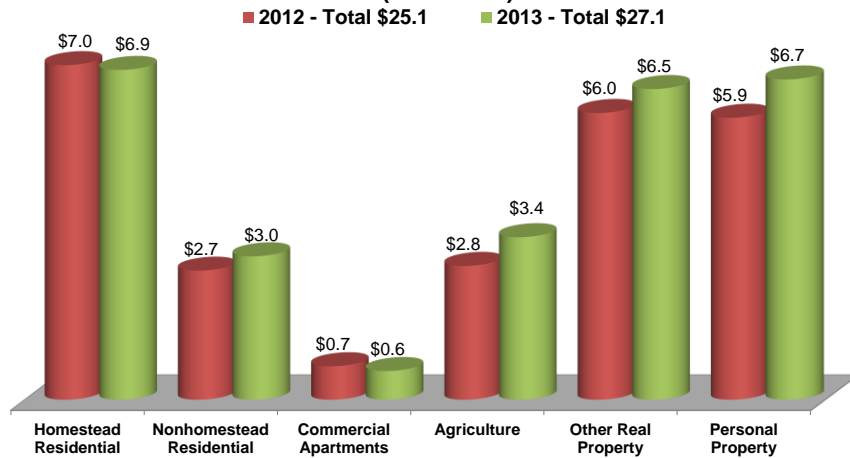
The total tax bill for all taxpayers in Jefferson County increased by 7.5% in 2013. The main reason was a 9.4% increase in the levy. Certified net assessed value increased by 0.9% in this reassessment year. Since the levy increase exceeded the assessment rise, tax rates increased, and this caused tax cap credits as a percent of the levy to increase to 4.6% in 2013 from 3.2% in 2012.

Jefferson County homeowners experienced a small 1.0% decrease in property tax bills in 2013. This was due to a decrease in homestead net assessments, which offset an increase in property tax rates. Statewide, the average homeowner's tax bill was almost unchanged.

| | 2012 to 2013 | |
|------------------------------------|-------------------------|---------------------|
| | Number of Homesteads | % Share of Total |
| Summary Change in Tax Bill | | |
| Higher Tax Bill | 4,498 | 51.2% |
| No Change | 326 | 3.7% |
| Lower Tax Bill | 3,957 | 45.1% |
| Average Change in Tax Bill | -1.0% | |
| Detailed Change in Tax Bill | | |
| 20% or More | 1,655 | 18.8% |
| 10% to 19% | 945 | 10.8% |
| 1% to 9% | 1,898 | 21.6% |
| -1% to 1% | 326 | 3.7% |
| -1% to -9% | 1,710 | 19.5% |
| -10% to -19% | 964 | 11.0% |
| -20% or More | 1,283 | 14.6% |
| Total | 8,781 | 100.0% |

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)



In Jefferson County most net property taxes were paid by business (other real and personal) and homestead property owners in 2013. Total net property taxes increased 7.5%, more than the average 2.1% increase statewide. Agriculture saw the biggest percentage increase, while commercial apartment net taxes decreased by the largest percentage.

Property tax rates increased in all 14 Jefferson County tax districts in 2013. The average tax rate rose by 8.5% because a large levy increase more than offset a small increase in net assessed value. Statewide, the average tax rate increased by 4.2%.

The total levies of all government units in Jefferson County increased by 9.4%, compared to a 3.7% statewide levy increase. Detailed levy changes for local governments in Jefferson County are included in a later table.

| Property Type | Gross AV Pay 2012 | Gross AV Pay 2013 | Gross AV Change | Net AV Pay 2012 | Net AV Pay 2013 | Net AV Change |
|------------------------|------------------------|------------------------|-----------------|------------------------|------------------------|---------------|
| Homesteads | \$992,819,000 | \$951,067,900 | -4.2% | \$370,730,293 | \$345,344,815 | -6.8% |
| Other Residential | 182,760,300 | 189,274,200 | 3.6% | 180,966,744 | 187,357,682 | 3.5% |
| Ag Business/Land | 181,746,700 | 200,434,000 | 10.3% | 175,337,969 | 193,946,820 | 10.6% |
| Business Real/Personal | 665,318,463 | 663,830,985 | -0.2% | 535,785,142 | 543,844,757 | 1.5% |
| Total | \$2,022,644,463 | \$2,004,607,085 | -0.9% | \$1,262,820,148 | \$1,270,494,074 | 0.6% |

Net AV equals gross AV less deductions and exemptions. Certified net AV is set with the budget, certified by the county auditor and used to calculate tax rates. It may be adjusted by the auditor to account for appeals. Net AV in the above table is summed from tax bills. It includes TIF allocations while Certified net AV does not. Gross AV also is summed from tax bills. Circuit breaker tax caps are calculated on gross AV.

Jefferson County's total billed net assessed value increased by 0.6% in 2013. Increases in agricultural, business, and other residential assessments more than offset a decrease in homestead assessments. Net assessed value for all of Indiana was nearly unchanged, rising by only 0.1%.

| Tax Cap Category | 2012 | 2013 | Difference | % Change |
|------------------|------------------|--------------------|------------------|--------------|
| 1% | \$352,302 | \$504,222 | \$151,920 | 43.1% |
| 2% | 463,621 | 731,538 | 267,917 | 57.8% |
| 3% | 0 | 0 | 0 | 0.0% |
| Elderly | 25,830 | 74,958 | 49,127 | 190.2% |
| Total | \$841,753 | \$1,310,718 | \$468,964 | 55.7% |
| % of Levy | 3.2% | 4.6% | | |

Total tax cap credits in Jefferson County were \$1.3 million, which was 4.6% of the levy. This was less than the state average of 10.9%, but slightly more than the median or typical county percentage of 4.2%. Tax rates were the main determinant of tax cap credits. Jefferson County's average tax rate was higher than

the statewide median rate. More than half of Jefferson County's tax cap credits were in the 2% nonhomestead residential/farmland category. A later table shows tax cap credits by category for each local government unit.

Tax cap credits in Jefferson County increased \$468,964 between 2012 and 2013. Credits as a share of the total levy rose from 3.2% in 2012 to 4.6% in 2013.

Jefferson County Levy Comparison by Taxing Unit

| Taxing Unit | 2009 | 2010 | 2011 | 2012 | 2013 | % Change | | | |
|--|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| | | | | | | 2009 - 2010 | 2010 - 2011 | 2011 - 2012 | 2012 - 2013 |
| <i>County Total</i> | 24,413,782 | 25,368,825 | 26,446,033 | 24,926,208 | 27,270,017 | 3.9% | 4.2% | -5.7% | 9.4% |
| Jefferson County | 6,425,847 | 6,781,465 | 6,945,634 | 7,405,861 | 7,498,960 | 5.5% | 2.4% | 6.6% | 1.3% |
| Graham Township | 24,313 | 25,242 | 25,903 | 26,676 | 27,415 | 3.8% | 2.6% | 3.0% | 2.8% |
| Hanover Township | 62,616 | 65,066 | 66,706 | 68,868 | 70,805 | 3.9% | 2.5% | 3.2% | 2.8% |
| Lancaster Township | 28,274 | 29,354 | 30,093 | 31,067 | 31,940 | 3.8% | 2.5% | 3.2% | 2.8% |
| Madison Township | 247,383 | 256,918 | 263,080 | 271,388 | 279,708 | 3.9% | 2.4% | 3.2% | 3.1% |
| Milton Township | 16,204 | 16,782 | 16,713 | 16,693 | 16,646 | 3.6% | -0.4% | -0.1% | -0.3% |
| Monroe Township | 13,173 | 15,028 | 15,408 | 15,892 | 15,873 | 14.1% | 2.5% | 3.1% | -0.1% |
| Republican Township | 34,928 | 36,163 | 36,897 | 37,395 | 38,850 | 3.5% | 2.0% | 1.3% | 3.9% |
| Saluda Township | 36,797 | 38,482 | 39,458 | 40,791 | 27,948 | 4.6% | 2.5% | 3.4% | -31.5% |
| Shelby Township | 24,269 | 25,145 | 25,809 | 26,638 | 27,385 | 3.6% | 2.6% | 3.2% | 2.8% |
| Smyrna Township | 30,263 | 31,213 | 31,959 | 30,104 | 25,631 | 3.1% | 2.4% | -5.8% | -14.9% |
| Madison Civil City | 5,176,552 | 5,428,817 | 5,558,798 | 5,518,920 | 5,517,536 | 4.9% | 2.4% | -0.7% | 0.0% |
| Brooksbury Civil Town | 2,315 | 2,403 | 2,468 | 2,545 | 2,616 | 3.8% | 2.7% | 3.1% | 2.8% |
| Dupont Civil Town | 0 | 9,883 | 10,221 | 10,508 | 10,506 | | 3.4% | 2.8% | 0.0% |
| Hanover Civil Town | 189,440 | 196,076 | 201,033 | 207,527 | 213,295 | 3.5% | 2.5% | 3.2% | 2.8% |
| Madison Consolidated School Corp | 8,296,134 | 8,560,477 | 9,106,913 | 7,498,900 | 9,581,664 | 3.2% | 6.4% | -17.7% | 27.8% |
| Southwestern Jefferson Cons School Corp | 2,698,034 | 2,701,292 | 2,902,885 | 2,512,724 | 2,648,332 | 0.1% | 7.5% | -13.4% | 5.4% |
| Jefferson County Public Library | 958,777 | 994,868 | 1,021,035 | 1,054,159 | 1,082,843 | 3.8% | 2.6% | 3.2% | 2.7% |
| Southeastern Indiana Solid Waste Mgmt Dist | 148,463 | 154,151 | 145,020 | 149,552 | 152,064 | 3.8% | -5.9% | 3.1% | 1.7% |
| Madison City Redevelopment Commission | 0 | 0 | 0 | 0 | 0 | | | | |

Jefferson County 2013 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

| | | | Credit Rates | | | | | | Net Tax Rate, Homesteads |
|--------|---------------------|----------|--------------|-------------------|--------------------|----------------------|-------------------|---------------------|-----------------------------|
| Dist # | Taxing District | Tax Rate | LOIT PTRC | COIT Homestead | CEDIT Homestead | CEDIT Residential | LOIT Homestead | LOIT Residential | |
| 39001 | Graham Township | 1.7574 | -- | -- | -- | -- | -- | -- | 1.7574 |
| 39002 | Hanover Township | 1.8037 | -- | -- | -- | -- | -- | -- | 1.8037 |
| 39003 | Hanover Town | 2.0855 | -- | -- | -- | -- | -- | -- | 2.0855 |
| 39004 | Lancaster Township | 1.7758 | -- | -- | -- | -- | -- | -- | 1.7758 |
| 39005 | Dupont Town | 1.9560 | -- | -- | -- | -- | -- | -- | 1.9560 |
| 39006 | Madison Township | 1.7733 | -- | -- | -- | -- | -- | -- | 1.7733 |
| 39007 | Madison City | 2.6787 | -- | -- | -- | -- | -- | -- | 2.6787 |
| 39008 | Milton Township | 1.7636 | -- | -- | -- | -- | -- | -- | 1.7636 |
| 39009 | Brooksbury Town | 2.0315 | -- | -- | -- | -- | -- | -- | 2.0315 |
| 39010 | Monroe Township | 1.8150 | -- | -- | -- | -- | -- | -- | 1.8150 |
| 39011 | Republican Township | 1.8152 | -- | -- | -- | -- | -- | -- | 1.8152 |
| 39012 | Saluda Township | 1.7910 | -- | -- | -- | -- | -- | -- | 1.7910 |
| 39013 | Shelby Township | 1.7771 | -- | -- | -- | -- | -- | -- | 1.7771 |
| 39014 | Smyrna Township | 1.8207 | -- | -- | -- | -- | -- | -- | 1.8207 |

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Jefferson County 2013 Circuit Breaker Cap Credits

| Taxing Unit Name | Circuit Breaker Credits by Property Type | | | | | Circuit Breaker as % of Levy | |
|---|--|---|------------------------------------|---------|-----------|------------------------------|------|
| | (1%) Homesteads | (2%) Other Residential and Farmland | (3%) All Other Real/Personal | Elderly | Total | Levy | |
| <i>Non-TIF Total</i> | 504,222 | 725,053 | 0 | 74,958 | 1,304,232 | 27,270,017 | 4.8% |
| <i>TIF Total</i> | 0 | 6,485 | 0 | 0 | 6,485 | 1,185,306 | 0.5% |
| <i>County Total</i> | 504,222 | 731,538 | 0 | 74,958 | 1,310,718 | 28,455,323 | 4.6% |
| Jefferson County | 118,114 | 167,127 | 0 | 21,417 | 306,658 | 7,498,960 | 4.1% |
| Graham Township | 39 | 0 | 0 | 38 | 78 | 27,415 | 0.3% |
| Hanover Township | 276 | 433 | 0 | 248 | 956 | 70,805 | 1.4% |
| Lancaster Township | 155 | 0 | 0 | 86 | 241 | 31,940 | 0.8% |
| Madison Township | 4,272 | 5,856 | 0 | 864 | 10,992 | 279,708 | 3.9% |
| Milton Township | 41 | 3 | 0 | 85 | 129 | 16,646 | 0.8% |
| Monroe Township | 0 | 0 | 0 | 88 | 88 | 15,873 | 0.6% |
| Republican Township | 66 | 0 | 0 | 110 | 176 | 38,850 | 0.5% |
| Saluda Township | 6 | 0 | 0 | 39 | 45 | 27,948 | 0.2% |
| Shelby Township | 18 | 0 | 0 | 187 | 205 | 27,385 | 0.7% |
| Smyrna Township | 38 | 0 | 0 | 48 | 86 | 25,631 | 0.3% |
| Madison Civil City | 167,915 | 249,216 | 0 | 12,661 | 429,792 | 5,517,536 | 7.8% |
| Brooksbury Civil Town | 0 | 24 | 0 | 0 | 24 | 2,616 | 0.9% |
| Dupont Civil Town | 0 | 0 | 0 | 5 | 5 | 10,506 | 0.0% |
| Hanover Civil Town | 2,190 | 3,719 | 0 | 635 | 6,544 | 213,295 | 3.1% |
| Madison Consolidated School Corp | 182,858 | 259,099 | 0 | 27,696 | 469,653 | 9,581,664 | 4.9% |
| Southwestern Jefferson Cons School Corp | 8,782 | 12,055 | 0 | 7,224 | 28,061 | 2,648,332 | 1.1% |
| Jefferson County Public Library | 17,056 | 24,133 | 0 | 3,093 | 44,281 | 1,082,843 | 4.1% |
| Southeastern Indiana Solid Waste Mgt Dist | 2,395 | 3,389 | 0 | 434 | 6,218 | 152,064 | 4.1% |
| Madison City Redevelopment Commission | 0 | 0 | 0 | 0 | 0 | 0 | |
| TIF - Madison City 007 | 0 | 6,485 | 0 | 0 | 6,485 | 1,185,306 | 0.5% |

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over. The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.